

22<sup>nd</sup> September 2023

Department of Infrastructure, Transport,  
Regional Development, Communications and the Arts  
National Freight and Supply Chain Strategy Review

To whom it may concern

Re: 2023 REVIEW OF THE NATIONAL FREIGHT AND SUPPLY CHAIN STRATEGY

Thank you for the opportunity to provide input into the 2023 review of the National Freight and Supply Chain Strategy (the Strategy). This submission is being made in relation to how the activities of the Gascoyne Gateway Limited Project (GGL Project) can contribute to achieving the objectives of the Strategy.

The GGL Project is a multi-user marine facility development located south of Exmouth in the Gascoyne region of Western Australia. The project is being developed by Gascoyne Gateway (GGL) to serve a range of user groups with interests in the region and surrounding waters, including cruise ships, super yachts, oil and gas industries, RE & Critical Minerals mining, transport and logistics, Australian Border Force and Royal Australian Navy vessels. This is a critical Gascoyne regional project that will provide key infrastructure enabling the development of supply chains for priority sectors, regional jobs, trade, investment, tourism for the Gascoyne region and national security for Australia.

GGL aims to address the lack of strategic regional infrastructure across Western Australia and particularly within the Gascoyne region, which has been a longstanding impingement to economic and community development for Exmouth, Gascoyne Region, and national resilience. The location holds strategic importance to national security and regional state development, and establishing the GGL Marine facility will bolster Defence force capabilities and enable significant diversification, decarbonisation, and efficiencies to state freight and logistic supply chains.

In June 2020 the WA Premier approved the GGL Project for Lead Agency status by the Department of Jobs, Tourism, Science and Innovation (JTSI). This status provides GGL with a high level of advisory and support services to facilitate approvals and development of

the project. Importantly, the Project aligns with all of the WA State development, industrial, and economic Strategic Policies as outlined in Diversify WA and more recently Diversify WA Future State, while also delivering direct alignment to the Defence Strategic Review critical infrastructure requirements.

Located proximal to the Light Industrial Area approximately eight kilometres south of Exmouth in the Gascoyne region of Western Australia, the GGL Project is intended to be a multi-user marine and logistics facility, addressing a number of long-standing issues and concerns with respect to the maritime and logistics industries in Western Australia. GGL expects the project will realise significant economic and social benefits across the local, Western Australian and Australian economies. It is envisaged the GGL project will comprise:

- A multi-user, multi-berth deep water jetty and associated services (fuel, water, material handling)
- Laydown areas
- Fuel tankage for regional distribution and Defence use
- Storage sheds and hardstand areas
- Renewable energy supply and storage facility
- A Reverse Osmosis, renewable powered desalination plant, and
- Warehousing, freight and logistics storage, and distribution facility

The GGL Project is intended to be developed on a combination of land held by the Shire of Exmouth, and unallocated Crown land. It comprises a combination pylon with hardstand wharf structure with rockfill pier out approximately 900 metres to a natural depth of 7.5 metres, with dredging of up to 13.5 metres depth at the deepest berth pocket, and associated landside infrastructure. This will provide berthing infrastructure to support a range of maritime activities.

The GGL Project's strategic location addresses a critical, long-term need for marine infrastructure in the Western Pilbara and Gascoyne regions, complementing the existing bulk commodity focused ports which characterise the north west of the State. Given this, GGL anticipates the project has the potential to deliver significant benefits for critical industries in the region. GGL's commitment goes beyond regulatory requirements, the Project is designed to establish a benchmark in environmental protection in all project stages, activities, development, operations - prioritising feasible regenerative techniques,

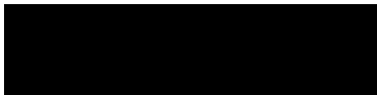


renewables, eco energy, desalination technology and sustainability principles. GGL is a member of the Infrastructure Sustainability Council and will be using the rating systems provided by this body to ensure that the sustainability focus is both measurable and auditable.

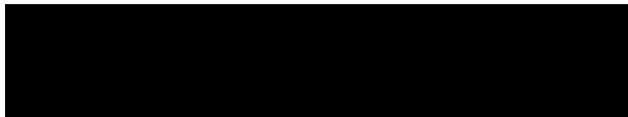
GGL is currently undertaking Detailed Feasibility Study activities including detailed engineering, cost, technical studies, and approvals work with a view to final investment decision and capital raising the end of 2024.

The comments we provide in this submission reflect our commitment to contributing to a fit for purpose and robust National Freight and Supply Chain Strategy.

Your sincerely



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Managing Director and CEO  
Gascoyne Gateway Limited



Response to Discussion Paper questions

**1. Do the Strategy's current goals support the needs of the freight and supply chain sector moving forward?**

The 2019 Strategy goals were agreed as:

- Improved efficiency and international competitiveness
- Safe, secure and sustainable operations
- A fit for purpose regulatory environment
- Innovative solutions to meet freight demand
- A skilled and adaptable workforce
- An informed understanding and acceptance of freight operation

We consider these goals to still be reflective of the requirements of the freight and supply chain sector. Freight and supply chain disruptions due to the COVID-19 pandemic, geopolitical pressures as well as the damage to rail and road routes due to flooding have highlighted the importance of having a robust national freight and supply chain strategy. We agree that these events have demonstrated to the Transport and Infrastructure Council that initiatives to build resilience, adapt to technological changes and changes in policy targets is required across all modes of freight movement.

We support the inclusion of supply chain resilience actions in the updated Strategy and believe that the GGL Project aligns with the priority of smarter and targeted infrastructure investment through National Actions 1.1 and 1.2. Investment in the GGL project will result in the creation of a maritime logistics precinct that provides regional capacity and capability for trade, tourism, renewable energy development and support, oil and gas, defence, border security, mining, agriculture and tourism activities.

The GGL Project's strategic location addresses a critical, long-term need for marine infrastructure in the Western Pilbara and Gascoyne regions, complementing the existing bulk commodity focused ports which characterise the northwest of the State. Federal Government co-investment in the development activities for the GGL Project precinct and maritime asset will result in achieving a higher degree of supply chain resilience by creating an alternative port terminal location and more cost-effective trade option for both Western Australian and National freight tasks.

We consider that the GGL Project is an excellent candidate for the Commonwealth's Major Project Business Case Fund and/or the Northern Australia Infrastructure Facility (NAIF) as a National Initiative; and for WA State Government investment through the Enabling Fund as a State Initiative aligned with National Actions 1.2 and 1.2.

The priority action area of enabling improved supply chain efficiencies will be achievable through the successful implementation of the GGL Project. GGL has identified the need for specific programs to train and employ a local workforce aligning with National Action 2.2 as well as a comprehensive stakeholder engagement process to build community support for the GGL Project as per National Action 2.4. We support the endeavors of the Transport and Infrastructure Council to achieve National Actions 2.1 and 2.3 and believe that GGL can contribute to new and innovative technologies that improve freight outcomes through our plan on becoming Australia's first green marine facility.

A focus on better planning, coordination, and regulation as a priority in the next five years is a significant part of the Strategy to meet the needs of the sector moving forward. The GGL Project has been affected by 24 months of delays in regulatory processes both State and Federal, hampering the next stage of capital raising. We strongly advocate for integrated land use planning, integrated decision making across whole of government planning, improved policy and planning and improved regulation to support innovation in the sector whilst reducing regulatory burden. An example of an initiative that should be considered by the Transport and Infrastructure Council is financial support for environmental studies to meet environmental regulatory processes in cases where the findings from the studies (both point in time and longitudinal) are made available for public, government and academic use. These findings, sometimes wastefully replicated by other proponents, are intellectual assets which could be used for a common good but the costs of which are borne entirely by the proponent of the project.

The GGL Project was borne out of the critical need for fit for purpose maritime infrastructure in the Exmouth Gulf. The realisation of a deep-water maritime facility in Exmouth Gulf will enable the success of regional development in an underserved and undervalued area of Western Australia. This endeavour will only reach its potential through engagement and capture of maritime trade across a number of sectors as a commercial ambition. Data on freight movement and supply chain performance between Perth and Exmouth shows that the road transport effort can be significantly reduced by having the GGL Project in operation. Evidence for key freight flows demonstrates a clear cost, time, safety and emissions savings



on removing long haul trucks from the road network that service Exmouth and the west Pilbara.

We agree that decarbonisation should be included in the updated Strategy. The GGL Project will contribute to the achievement of the Government's 2030 and 2050 emission targets by building a carbon neutral, regenerative green facility. This includes building an independent potable water facility that augments the Exmouth townsite water supplies thus reducing reliance on natural aquifers and the establishment of a renewable source of power generation. Suitable land has been identified to accommodate this activity adjacent to the GGL precinct. The renewable power plant will primarily supply the activities of the Project with excess returned to the local grid. This port facility is expected to remove 5% of the long-haul trucks from the Pilbara road network resulting in a reduction of 120,000 tonnes of CO<sub>2</sub> per annum. The potential to undertake Green Hydrogen production, storage and export is also being considered. GGL's vision is to be the most environmentally sustainable port in the world.

## **2. Should other goals be included in the Strategy, and why?**

There are two goals we believe should be included in the Strategy to meet the needs of the sector moving forward. The first is the promotion of the freight and supply chain sector as being attractive for private investors along with Federal Government investment attraction initiatives such as development funding support. The second is National security and border protection.

A goal of facilitating investment attraction should be included in the updated Strategy. Market-led maritime precincts require substantial private investment in concept plans, engineering reports, detailed impact assessments and stakeholder engagement. All these activities rely on the proponent to act independently of government investment and in most instances with an ineligibility status for funding programs to support this work. An investment attraction goal could include actions that enable co-funding of project development work packages and provide confidence for private investors to undertake detailed environmental, economic, and social investigations with a longitudinal focus from which findings are able to be utilised by State and Federal Governments.

A goal relating to supporting national security and border protection should be included in the strategy. Australia's Defence posture in both border and regional security continues to

be the principal influence of ADF structure, disposition and activity. The strategic location of the Gascoyne Gateway and its ability to support operations and training activities is well recognised by Defence. The expectation for use has been confirmed through direct discussions with Defence and through Gascoyne Gateway's understanding of the current and future requirements of the RAN's Fleet Activity Schedule (FAS).

GGL has critically examined the likelihood and potential for the GGL Project to support Defence activities. The Defence of North West Australia has been the focus of Senate studies and remains the subject of ongoing deliberations. The Pilbara region provides significant economic revenue for Australia and the North West Coast is without any dedicated Naval facility, relying on patrol vessel passage to deliver at best token monitoring of this area. The assets required to defend or respond to specific threats to this region are based in HMAS Stirling (Garden Island, W.A.) and HMAS Waterhen (Sydney) exposing industry to substantial delay should positive actions be undertaken or suspected in the North West Coastal Ports.

The South China Sea and Indian Ocean regions are areas in which Australia and its Regional Security Partners hold specific interest and concern. The establishment and expansion of non-aligned security assets within these regions has raised issues for the international community. Australia's Defence Department continues to act in support of National interests in the near Asian region. Supply chain resilience requires ongoing surety of access to shipping routes and ports.

### **3. Should the National Action Plan focus on a smaller number of targeted national actions, or do you want to retain the existing reporting structure?**

The existing reporting structure appears fit for purpose. The 350 initiatives reported over the 13 actions in the 2021-22 Annual Report were logically set out and there didn't appear to be a significant amount of duplication in initiatives as they were mapped back to specific actions. Although numerous the number of initiatives highlight the complexity of the national freight task, and it is useful to see the types of activities being implemented at a National and State/Territory level.

**4. If we focus on a smaller number of targeted national actions, what action areas should be included in the National Action Plan that require national coordination?**

Aligned with our suggestion to include investment attraction, Defence and national security actions would require national coordination and should be included.

**5. What KPIs are useful to measure the success of the Strategy?**

Success of the strategy would see investment into new ports, upgrades of existing and improvement of freight route access. It would also see an improvement in the efficiency of ports and the removal of regulatory barriers that currently constrain development. KPIs that would indicate success in these areas include the number of days a regulatory submission is assessed. There should be a time limit imposed on government departments that assess proposals so that delays in investment decisions can be avoided.

In addition, the monetary value of both private investment and co-investment from all levels of Government could be included and an analysis of the multiplier effect of this investment on projects, towns and regions undertaken to demonstrate the total value of investment.

If Defence and border security goals and actions are included in the updated strategy, then KPIs relating to the efficiencies gained in regard to sustainment activities should be considered.

KPIs relating to adoption of new and emerging technologies should be considered to demonstrate the achievement of goals around decarbonisation, innovation to solve freight problems, workforce development and safe, secure, and sustainable operations.

Resilience within the freight network and supply chain could be measured by considering metrics around freight delays and the impact of these delays on customer and operator costs, such as measuring the impact of having an alternative route for freight into the Pilbara instead of relying on road transport from Fremantle.



## **6. What data do we need from industry, state, and federal governments to measure potential KPIs?**

Industry data could include freight mode and route specific data, efficiency improvements in time and resources, workforce data and research and development data.

Government data could include regulatory assessment performance data, value of co-investment into market-led proposals, defence and border security sustainment data.

## **7. What outcomes, findings or principles should the Review take into consideration of related works?**

Securing a national fuel reserve – Fuel Security Act 2021 [Australia's fuel security | energy.gov.au](https://www.energy.gov.au)

- Our national freight network across all modes relies on access to diesel fuel supplies. Resilience within the freight system will require adequate fuel storage facilities. The GGL Project contributes to providing resilience in the fuel storage and distribution network.

National Defence – Defence Strategic Review 2023 [National Defence: Defence Strategic Review 2023 | About | Defence](https://www.defence.gov.au)

- Chapter 10 Force Posture and Accelerated Preparedness refers to having a presence through a network of bases as well as fuel storage and distribution in the North of Australia to ensure a force posture. The GGL Project provides a direct opportunity to do this through both an all weather deep water port facility as well as fuel storage and distribution.

Future State – Accelerating Diversify WA [Future State Prospectus \(www.wa.gov.au\)](https://www.wa.gov.au)

- Targeted diversification options of renewable hydrogen, naval vessels, critical minerals, high value food and beverage manufacture and export and regional tourism destinations all sit within the vision for the GGL Project and align with the goals of the National Freight and Supply Chain Strategy

Infrastructure WA – Foundations of a Stronger Tomorrow, State Infrastructure Strategy [2022 Final SIS.pdf \(infrastructure.wa.gov.au\)](https://www.infrastructure.wa.gov.au)

- Seven cross cutting themes and nine infrastructure sectors have the potential to inform the Review in relation to WA specific issues around infrastructure, improved planning, transport, and clean energy.

**8. Are the current governance arrangements appropriate to support the effective implementation of the Strategy going forward?**

We support the continued presence of the Freight Industry Reference Panel (FIRP) to provide advice to the Infrastructure and Transport Ministers Meeting as well as the Infrastructure and Transport Senior Officials Committee. We would advocate for a maritime industry professional to join the FIRP to represent coastal shipping interests. It is also important to retain the Freight Jurisdictional Working Group because it appears that this is the level at which actions are undertaken. The Strategy requires a mechanism by which actions can be undertaken and outcomes report on.

**9. What role, if any, should the Freight Industry Reference Panel have to support the implementation of the Strategy?**

The reference panel should be providing advice on setting the direction of the strategy, maintaining contemporary understanding of issues and triggering responses to issues of significance. It should represent a cross section of freight modes and include representatives from these mode sectors. The Reference Panel, because of its composition, has the important task of ensuring that the actions and initiatives implemented are actually moving the freight and logistics sector forward.

**Other comments**

Table 1 is provided as a summary of how the Gascoyne Gateway Project can contribute to achieving the goals set out in the National Freight and Supply Chain Strategy. We welcome the opportunity to discuss these with the review panel.

National Freight and Supply Chain Strategy 2019 Goals and Actions	Gascoyne Gateway contribution to achieving the National Freight and Supply Chain Strategy Goals and Actions
Smarter and targeted infrastructure investment	
<p>1.1 Ensure that domestic and international supply chains are serviced by resilient and efficient key freight corridors, precincts and assets.</p> <p>1.2 Provide regional and remote Australia with infrastructure capable of connection regions and communities to major gateways, through land links, regional airports or coastal shipping.</p> <p>1.3 Identify and support digital infrastructure and communication services necessary for improved and innovative supply chains.</p> <p>1.4 Advance heavy vehicle road reform to facilitate efficient investment in infrastructure.</p>	<p>There is a compelling case for the construction and operation of a Multi-Use Marine Facility supporting Exmouth, Western Australia. This Facility would provide essential capability for a variety of seaborne operations including tourism (cruise ships, super yachts, adventure tourism), container and break bulk freight imports, oil and gas support, fuel imports, Royal Australian Navy and Australian Border Force sustainment.</p> <p>There is no single user group or purpose that could financially support the build and operation of a Marine Facility of this nature therefore, the Multi-use model provides an ongoing financial viability for the next 50-100+ years while also being of a viable business model to attract Private investment.</p> <p>Working with local, industry and State Government Stakeholders, GGL was formed to plan, invest, then Build, Own, Operate this community, Regional, and State economic enabler. With an anticipated long term revenue base of \$40-60m p.a. while providing 70-80 full time jobs, the Project will support the Exmouth Shire and Gascoyne Development Commissions' desire to see Exmouth flourish. ACIL Allen estimates that the proposed GGL Project will contribute a total of \$853.8 million to the Gross Regional Product (GRP) of the Gascoyne region over the study period, with \$706.2 million directly contributed. In annual average terms the GGL Project is projected to contribute \$34.1 million to the Gascoyne economy, equivalent to a 3.5% boost to the region's economy every year. It will also provide safe all weather port access for draught restricted vessels transiting between Geraldton and Dampier.</p> <p>The Port Hedland port capacity Priority Initiative identifies opportunities to increase exports and make better use of port infrastructure to enable cargo to be delivered to Port Hedland instead of</p>

National Freight and Supply Chain Strategy 2019 Goals and Actions	Gascoyne Gateway contribution to achieving the National Freight and Supply Chain Strategy Goals and Actions
	<p>being trucked from Fremantle. Container handling facilities at Exmouth are a more cost effective and amenable to shipping practices. Diverting container ships to Port Hedland costs 30% more in time and money than diverting to Exmouth which only increases the costs for a container ship delivering to Fremantle by 3%. The nature of container trade is that they rely on booking slots, they don't wait at anchor for an opportunity to unload, this is not practical in a port like Port Hedland. Dampier and Port Hedland are bulk export specialist ports, Exmouth is designed to be set up for bespoke low volume, high value minerals shipped via container not loaded by bulk handling conveyors.</p>
Enable improved supply chain efficiency	
<p>2.1 Adopt and implement national and global standards, and support common platforms, to reduce transaction costs and support interoperability along supply chains.</p> <p>2.2 Promote training and re-skilling of industry and government workforces appropriate to current and future freight needs.</p> <p>2.3 Facilitate new and innovative technologies that improve freight outcomes and understand the deployment, skills and workforce requirements for operators and infrastructure.</p> <p>2.4 Build community acceptance of freight options.</p>	<p>Supply chain inefficiencies caused by container deliveries via truck from Fremantle into the Pilbara is costing businesses and consumers \$1.7 billion dollars more than container delivery via Exmouth into the Pilbara. Freight costs into the Pilbara from Fremantle \$3.4b per year in 2020. There is an opportunity to reduce freight costs by 50% by importing through a port in Exmouth. Current costs of importing through Fremantle are \$1.9b more than if the cargo was imported through Exmouth.</p> <p>This project addresses the problems associated with supply chain inefficiencies and inadequate marine infrastructure in the Gascoyne region whilst capitalising on the opportunities for direct shipping of freight into the region. 6mtpa of freight is imported into the Pilbara, 5mtpa of which is by road. All freight into the Pilbara is hauled by trucks over 1,500km on road costing an average of \$3,850 per 20' TEU for the trucking component alone. The total cost including sea freight and handling is \$6,540 per 20' TEU. The annual container volume by road is 525,000TEU (average 12t per 20' TEU). In 2018 there were 19 deaths in WA from crashes involving heavy trucks. The</p>

National Freight and Supply Chain Strategy 2019 Goals and Actions	Gascoyne Gateway contribution to achieving the National Freight and Supply Chain Strategy Goals and Actions
	<p>economic cost of each road fatality (2015 values) is \$4.43 million. Fuel costs in the Pilbara reflect road transport costs from Fremantle. Direct import into Exmouth would reduce the road task by 1000km and hence the purchase price for consumers.</p> <p>Sensitive to the Australian coastline ecosystems, the Project is planned to be the first 'Green Port' in Australia designed, built, and operated as a 'carbon neutral' and environmentally regenerative endeavour utilising planned renewable energy sources as part of the design. This Climate Positive, People Positive, Environment Positive project finds great support from local community and businesses through the project operational activity supporting increased skills set, associated technical training, and higher associated wage outcomes to meet increasing cost of living pressures. Further, the ability to direct import building materials and house component will have a significant reduction impact on house building costs that are presently problematic for the local population. Direct import of transport and aviation fuel will also see an important reduction in the cost of living component for local transport.</p>
Better planning, coordination, and regulation	
<p>3.1 Ensure freight demand is integrated in transport and land use planning across and between jurisdiction boundaries and freight modes.</p> <p>3.2 Strengthen the consideration of freight in all other government planning and decision making.</p>	<p>In relation to government planning and decision making, the GGL Project provides a solution for the government's fuel security plans by including storage facilities for diesel and aviation fuel. It also provides for the integration of green hydrogen production produced from water electrolysis powered by renewable energy for use across the port and Exmouth townsite.</p> <p>Recent disruption to the national freight and logistics network in Fitzroy Crossing, and earlier with the trans Australian rail line demonstrated the fragile nature of our current network. Introducing</p>

National Freight and Supply Chain Strategy 2019 Goals and Actions	Gascoyne Gateway contribution to achieving the National Freight and Supply Chain Strategy Goals and Actions
<p>3.3 Investigate policy, planning and operational solutions to improve freight access and movement along domestic and international supply chains.</p> <p>3.4 Improve regulation to be more comes focused and risk-based to support innovation and reduce regulatory burden whilst maintaining safety, security and sustainability.</p>	<p>another seaborne logistics hub into the network provides greater national resilience for essential goods and fuels that support the 58% of GDP that is exported from the NW of Australia each year.</p> <p>GGL is planned by the WA Transport Minister for regulatory oversight by the MidWest Port Authority. This will finally allow regulation of shipping activity in the Exmouth Gulf that presently supports and average of 177 vessels per year. Security under the MTOFS Act will also be introduced providing a higher level of National scrutiny and oversight. The GGL facility will provide significant support to the National Oil Spill Plan as coordinated by NOPSEMA with GGL supporting options for 24/365 reaction and logistic support augmentation.</p>
Better freight location and performance data	
<p>4.1 Develop an evidence base of key freight flows and supply chains and their comparative performance to help business and governments improve day-to-day freight and network operations, make better decision, and monitor and evaluation the performance of the freight system.</p>	<p>Once operational the GGL Project can contribute to curating an evidence base of coastal shipping freight movements. These movements will encompass the peak expansion of LNG/oil operations in the Carnarvon and Enfield basins which is expected to occur between 2020-2025; a future need by Gascoyne mining operations currently in production and planned pure minerals mines of high value low volume production; and the Royal Australian Navy and Australian Border Force which currently have no logistical and operational support except at HMAS Stirling (Fremantle 650nm) and Darwin (1450nm).</p>